

110TH CONGRESS
1ST SESSION

S. 1313

To amend the Servicemembers Civil Relief Act to provide relief for servicemembers with respect to contracts for cellular phone service, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 7, 2007

Mr. FEINGOLD introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

A BILL

To amend the Servicemembers Civil Relief Act to provide relief for servicemembers with respect to contracts for cellular phone service, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Servicemembers’ Cel-
5 lular Phone Contract Fairness Act of 2007”.

1 **SEC. 2. TERMINATION UNDER SERVICEMEMBERS CIVIL RE-**
 2 **LIEF ACT OF CONTRACTS FOR CELLULAR**
 3 **PHONE SERVICES.**

4 (a) TERMINATION OF CONTRACTS FOR CELLULAR
 5 PHONE SERVICES.—

6 (1) INCLUSION OF CONTRACTS UNDER TERMI-
 7 NATION AUTHORITY.—Subsection (b) of section 305
 8 of the Servicemembers Civil Relief Act (50 U.S.C.
 9 App. 535) is amended by adding at the end the fol-
 10 lowing new paragraph:

11 “(3) CONTRACTS FOR CELLULAR PHONE SERV-
 12 ICE.—

13 “(A) IN GENERAL.—Subject to subpara-
 14 graphs (B) and (C), a contract for a cellular
 15 phone used, or intended to be used, by a
 16 servicemember or a servicemember’s dependent
 17 for a personal or business purpose if—

18 “(i) the contract is executed by or on
 19 behalf of a person who thereafter and dur-
 20 ing the term of the contract enters into
 21 military service under call or order speci-
 22 fying a period of not less than 90 days (or
 23 who enters military service under a call or
 24 order specifying a period of 90 days or less
 25 and who, without a break in service, re-
 26 ceives orders extending the period of mili-

1 tary service to a period not less than 90
2 days);

3 “(ii) the servicemember, while in mili-
4 tary service, executes the contract and
5 thereafter receives military orders for a
6 permanent change of station outside of the
7 continental United States or to deploy with
8 a military unit for a period of not less than
9 90 days; or

10 “(iii) the servicemember, while in mili-
11 tary service, executes the contract and
12 thereafter receives military orders for a
13 permanent change of station to a location
14 within the continental United States where
15 the contract cannot be transferred at the
16 same rate, terms, and quality of service.

17 “(B) APPLICABILITY TO DEPENDENTS.—

18 Subparagraph (A) shall apply with respect to a
19 contract, or portion of a contract, for a cellular
20 phone used, or intended to be used, by a
21 servicemember’s dependent only if the depend-
22 ent—

23 “(i) relocates in accompanying the
24 servicemember in the performance of the
25 military service, or in a permanent change

of station or deployment, described in that subparagraph; or

“(ii) otherwise relocates as a consequence of such military service or change of station or deployment.

“(C) APPLICABILITY TO GROUP PLANS.—If a servicemember or a dependent to whom this paragraph applies is not the primary account holder under a contract described in subparagraph (A), that subparagraph shall apply only to the extent of the obligations of the servicemember or dependent, as the case may be, in the contract.”.

(2) MANNER OF TERMINATION.—Subsection (c)(1) of such section is amended—

(A) in subparagraph (A), by striking “and” at the end;

(B) in subparagraph (B), by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following new subparagraph:

“(C) in the case of a contract for a cellular phone, by delivery by the contractee of written notice of such termination, and a copy of the

1 servicemember’s military orders, to the con-
2 tractor or to the contractor’s agent.”.

3 (3) EFFECTIVE DATE OF TERMINATION.—Sub-
4 section (d) of such section is amended by adding at
5 the end the following new paragraph:

6 “(3) CONTRACT FOR CELLULAR PHONE SERV-
7 ICE.—In the case of a contract for a cellular phone
8 described in subsection (b)(3), termination of the
9 contract under subsection (a) is effective on the day
10 on which the requirements of subsection (c) are met
11 for such termination.”.

12 (4) ARREARAGES.—Subsection (e) of such sec-
13 tion is amended—

14 (A) by striking “(e) ARREARAGES AND
15 OTHER OBLIGATIONS AND LIABILITIES.—Rents
16 or lease amounts” and inserting the following:

17 “(e) ARREARAGES AND OTHER OBLIGATIONS AND
18 LIABILITIES.—

19 “(1) IN GENERAL.—Rents or lease amounts”;

20 (B) by designating the second sentence as
21 paragraph (2), indenting such paragraph 4 ems
22 from the left margin, and inserting before “In
23 the case of the lease” the following:

24 “(2) LEASE CHARGES FOR MOTOR
25 VEHICLES.—”; and

1 (C) by adding at the end the following new
 2 paragraphs:

3 “(3) TERMINATION CHARGES FOR CELLULAR
 4 PHONE CONTRACTS.—In the case of a contract for
 5 a cellular phone, the contractor may not impose an
 6 early termination charge, but may request the return
 7 of equipment provided to the contractee as part of
 8 the contract which would normally remain the prop-
 9 erty of the contractee at the end of the contract
 10 term if the contractee is given the option of paying
 11 a pro-rated amount to retain such equipment based
 12 on the original retail price of such equipment, the
 13 amount previously paid for such equipment by the
 14 contractee, and the time remaining on the contract.

15 “(4) REACTIVATION FEES.—In the event a con-
 16 tractor and contractee jointly agree to treat the ter-
 17 mination of a contract for a cellular phone under
 18 this section as a suspension of such contract, the
 19 contractor may not impose any fee for reactivation
 20 of service under such contract at the completion of
 21 suspension of such contract.”.

22 (b) CONFORMING AMENDMENT.—Subsection
 23 (a)(1)(B) of such section is amended by striking “or
 24 (2)(B)” and inserting “, (2)(B), (3)(A)(ii), or (3)(A)(iii)”.

25 (c) CLERICAL AMENDMENTS.—

1 (1) HEADING AMENDMENT.—The heading of
2 such section is amended to read as follows:

3 **“SEC. 305. TERMINATION OF RESIDENTIAL OR MOTOR VE-**
4 **HICLE LEASES OR CONTRACTS FOR CEL-**
5 **LULAR PHONE SERVICE.”.**

6 (2) TABLE OF CONTENTS AMENDMENT.—The
7 table of contents for such Act is amended by strik-
8 ing the item relating to section 305 and inserting
9 the following new item:

“Sec. 305. Termination of residential or motor vehicle leases or contracts for
cellular phone service.”.

